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BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, DC

Application of :

Arrow Air, Inc.

For allocation of five additional U.S.-Ecuador
all-cargo scheduled frequencies

Docket OST-2002-12503-2

DEPT. OF TRANSPORTATION
DOCKETS
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APPLICATION OF ARROW AIR, INC. FOR ALLOCATION
OF FIVE ADDITIONAL U.S. - ECUADOR ALL-CARGO FREQUENCIES

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NOTICE: ANY PERSON WISHING TO FILE AN ANSWER IN SUPPORT OF OR IN
OPPOSITION TO THE GRANT OF THIS REQUESTED ADDITIONAL FREQUENCY
ALLOCATION SHOULD FILE WITH THE DEPARTMENT BY JULY 8, 2002 AND SERVE A
COPY ON ALL PERSONS ON THE ATTACHED SERVICE LIST.

June 28, 2002

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Docket OST-2002-12503

APPLICATION OF ARROW AIR, INC. FOR ALLOCATION
OF FIVE ADDITIONAL U.S - ECUADOR ALL-CARGO FREQUENCIES

Arrow Air, Inc. ("Arrow") hereby applies for the allocation of five (5) additional U.S.-Ecuador all-cargo scheduled frequencies pursuant to the Notice issued by the Department of Transportation (the "Department") served June 14, 2002 in the above-referenced Docket. Arrow currently provides all-cargo service to Quito and Guayaquil, Ecuador under an existing allocation of five (5) frequencies. The additional frequencies are required to enable Arrow to offer improved all-cargo scheduled service between Miami and Quito and between Miami and Guayaquil. In support of this application, Arrow respectfully represents and alleges as follows:

1. The additional frequencies Arrow seeks have been made available as a result of the "Minutes of the Meeting" signed by delegations of the United States and Ecuador, which stated agreement on the text of a diplomatic note to extend the application of the Air Transport Agreement of 1986 with certain modifications. Delegations from U.S. and Ecuador initialed a diplomatic note attached to the Minutes, which would permit U.S. all-cargo carriers to operate 30 round-trip all-cargo scheduled frequencies in the U.S.-Ecuador market over routes specified in Section 2 of Annex I of the

Agreement. The additional allocation of frequencies requested by Arrow would maintain its relative proportion of all-cargo scheduled service in the Ecuador market.

2. Arrow will provide daily round-trip service between Miami and Quito and service three times a week between Miami and Guayaquil by supplementing the current operations with the additional frequencies herein requested. The additional frequency allocations will be used as soon as possible after authorization by the Department, preferably by no later than September 1, 2002. Arrow proposes to use a mix of aircraft in the Quito market as follows: Monday and Wednesday - DC-10-30F aircraft, Tuesday, Thursday, Friday and Saturday - B747-200F aircraft, and Sunday -DC-8 or DC-10-30F aircraft. In the Guayaquil market Arrow will maintain current operations with DC-10-30F aircraft. The DC-10-30F and DC-8 aircraft to be used for additional flights are currently in Arrow's fleet and listed in its FAA approved Operations Specifications and used for services in the Ecuador markets. The B747-200F aircraft is being added to the company's Operations Specifications at the present time and will be immediately available for use in the Ecuador market. All aircraft are in all-cargo configuration with capacity as follows: DC-10-30F - 28 pallets and 150,000 lbs., DC-8-62 - 14 pallets and 78,400 pounds, DC-8-63 - 18 pallets and 90,000 pounds, and B747-200F - 36 pallets and 200,000 pounds. All aircraft being operated or proposed to be operated comply with FAR Part 36.

3. Arrow currently holds underlying authority to operate scheduled all-cargo service between Miami, FL and Quito and Guayaquil, Ecuador. By Notice of Action Taken dated September 25, 2000, Arrow was awarded renewed exemption authority to conduct U.S. - Ecuador scheduled all-cargo services through September 25, 2002. On June 4, 2002, Arrow applied for a renewal of the exemption and requested that, pursuant to 5 U.S.C. § 558(c) as implemented by 14 C.F.R. § 377, the existing exemption authority granted to Arrow remain in force until the disposition of the renewal application. There was no opposition filed to Arrow's renewal application and the company is awaiting disposition of the application by the Department. Arrow's current allocation of five

frequencies is valid so long as Arrow continues to hold underlying authority to serve Ecuador.

4. Allocation of five (5) additional frequencies to Arrow to supplement operations between Miami - Quito and between Miami - Guayaquil, as herein requested, is consistent with the public interest as evidenced by Arrow's continuing presence in these markets and the service it has been providing to the shipping public. The award would allow Arrow to maintain its current relative competitive presence in the Ecuador market.

WHEREFORE, Arrow Air, Inc. respectfully requests that the Department of Transportation, in consideration of all of the foregoing, allocate to it five (5) additional U.S.-Ecuador all-cargo scheduled frequencies and grant such other and further relief consistent with the premises herein.

Respectfully submitted,



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June 28, 2002

CERTIFICATE OF SERVICE

I certify that I have this 28th day of June 2002 served the foregoing Application for allocation of additional U.S. - Ecuador all-cargo frequencies on the following persons:

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